

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE MAY 16, 2013

AMENDED IN SENATE MAY 7, 2013

AMENDED IN SENATE APRIL 24, 2013

AMENDED IN SENATE APRIL 1, 2013

## SENATE BILL

**No. 52**

**Introduced by Senators Leno and Hill**

**(Principal coauthors: Senators Correa and DeSaulnier)**

(Principal coauthor: Assembly Member Fong)

**(Coauthors: Senators Block, Hancock, and Wolk)**

(Coauthors: Assembly Members Ammiano, *Buchanan*, and Wieckowski)

December 20, 2012

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An act to amend Sections 84505 ~~and 85310~~, 84506, and 84508 of, to add ~~Sections 84506.1, 84506.2, 84506.3, and 84506.4~~ Sections 84503.1, 84503.2, 84503.3, 84503.4, and 84503.5 to, to repeal Sections 84502, ~~84503~~, and 84504 of, and to repeal and add Sections 84501, ~~84506~~, ~~84506.5~~, 84508, and ~~84509~~ 84502, and 84503 of, the Government Code, relating to the Political Reform Act of 1974.

### LEGISLATIVE COUNSEL'S DIGEST

SB 52, as amended, Leno. Political Reform Act of 1974: campaign disclosures.

Existing law, the Political Reform Act of 1974, provides for the comprehensive regulation of campaign financing, including requiring the reporting of campaign contributions and expenditures and imposing other reporting and recordkeeping requirements on campaign committees. Existing law additionally imposes disclosure statement

requirements with respect to advertisements supporting or opposing a candidate or ballot measure paid for by donors making contributions of specified amounts or by independent expenditures and defines several terms and phrases for these purposes. Existing law makes a knowing or willful violation of the Political Reform Act of 1974 a misdemeanor and subjects offenders to criminal penalties.

This bill would repeal and recast several definitions. The bill would repeal a committee identification requirement and ~~the a disclosure statement requirements requirement~~ relating to advertisements for or against any ballot measure paid for ~~by any person whose cumulative contributions are \$50,000 and advertisements paid for by an independent expenditure by a committee~~. The bill would impose new disclosure statement requirements for political advertisements *regarding a ballot measure* that are radio advertisements, prerecorded telephonic messages, television or video advertisements, or mass mailing or print advertisements that would require the identification of identifiable contributors, ballot measures, and other funding details, as specified. ~~The bill would also require a committee, in prescribed circumstances, to establish and maintain a disclosure Internet Web site for the purpose of making a contribution disclosure statement.~~ By introducing new disclosure requirements, the violation of which would be a misdemeanor, the bill would create a new crime, thereby imposing a state-mandated local program.

~~Existing law requires a person who makes a payment or promise of payment totaling \$50,000 or more for a communication that identifies, but does not advocate the election or defeat of, a candidate for elective state office, and that is disseminated within 45 days of an election, to file a disclosure report with the Secretary of State.~~

~~This bill would reduce the payment threshold to \$10,000 and change the communication dissemination period to the period beginning 120 days before the primary or special election and ending on the date of the general or runoff election.~~

*Existing law creates the Fair Political Practices Commission, and gives it primary responsibility for the impartial, effective administration and implementation of the Political Reform Act of 1974.*

*The bill would require the Fair Political Practices Commission to promulgate regulations related to the reporting and tracking of funds transferred by an identifiable contributor to committees and persons by January 1, 2016. The bill would authorize the Commission to promulgate regulations to require disclosures on all forms of*

*advertisements regarding ballot measures not covered by the act, as specified.*

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The Political Reform Act of 1974, an initiative measure, provides that the Legislature may amend the act to further the act's purposes upon a  $\frac{2}{3}$  vote of each house and compliance with specified procedural requirements.

This bill would declare that it furthers the purposes of the act.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the California Disclose  
2 Act.

3 SEC. 2. *The Legislature finds and declares all of the following:*

4 (a) *Ever-increasing amounts of funds are raised and spent in*  
5 *support of and opposition to state and local ballot measures,*  
6 *especially in the form of advertisements. The outcomes of such*  
7 *elections are disproportionately impacted by whichever side is*  
8 *able to raise and spend the most money to advance its position.*

9 (b) *Ever-increasing amounts of funds are spent on campaigns*  
10 *by persons who do one or more of the following:*

11 (1) *Frequently use their wealth to fund local and state ballot*  
12 *measures designed to advance their own economic interests.*

13 (2) *Increasingly avoid having their identities disclosed in*  
14 *election-related advertisements by channeling funds through one*  
15 *or more persons before those funds are received by a committee,*  
16 *thereby undermining the purpose and intent of laws requiring*  
17 *disclosure on such advertisements.*

18 (3) *Spend extraordinary amounts of money running*  
19 *election-related advertisements while hiding behind dubious and*  
20 *misleading names, including, but not limited to, advertisements*  
21 *by primarily formed committees and general purpose committees.*

1     (4) *Increasingly evade disclosure by funding advertisements*  
2     *designed to persuade voters without expressly advocating support*  
3     *or opposition.*

4     (c) *The activities described in subdivision (b) cause the public*  
5     *to become increasingly disaffected with the democratic process,*  
6     *discouraging participation in elections and coloring public*  
7     *perceptions of the legitimacy and integrity of state and local*  
8     *government.*

9     (d) *The people of California and their government officials have*  
10    *a compelling interest in knowing the true and original source of*  
11    *committee funding and receiving clear information identifying the*  
12    *largest original contributors responsible for political*  
13    *advertisements funded by such committees.*

14    (e) *The disclosure of original contributors on advertisements*  
15    *serves the following important governmental and societal purposes:*

16    (1) *Providing the people and government officials current and*  
17    *easily accessible information regarding who is funding*  
18    *advertisements that are intended to influence their votes on ballot*  
19    *measures.*

20    (2) *Enabling the people and government officials to identify*  
21    *potential bias in advertisements to assist them in making more*  
22    *informed decisions and giving proper weight to different speakers*  
23    *and messages.*

24    (3) *Deterring actual corruption and avoiding the appearance*  
25    *of corruption by providing increased transparency of contributions*  
26    *and expenditures.*

27    (4) *Improving the people's confidence in the democratic process*  
28    *and increasing their motivation to actively participate in that*  
29    *process by regular voting and other forms of civic engagement.*

30    (5) *Promoting compliance with and detecting violations of the*  
31    *Political Reform Act of 1974 (Title 9 (commencing with Section*  
32    *81000) of the Government Code), while also addressing the*  
33    *problems and advancing the state interests described in that act.*

34    ~~SEC. 2.~~

35    SEC. 3. Section 84501 of the Government Code is repealed.

36    ~~SEC. 3.~~

37    SEC. 4. Section 84501 is added to the Government Code, to  
38    read:

39    84501. For purposes of this article, the following terms have  
40    the following meanings:

(a) (1) “Advertisement” means—~~a~~ *any* general or public advertisement communication that is ~~any~~ *either* of the following:

(A) Authorized and paid for by a ~~person or~~ committee for the purpose of supporting or opposing a candidate for elective office ~~or a ballot measure or ballot measures.~~

~~(B) An electioneering—~~*A ballot measure advocacy communication supporting or opposing the qualification, passage, or defeat of a ballot measure.*

~~(C) An issue advocacy advertisement.~~

(2) “Advertisement” does not include ~~a communication from an organization other than a political party to its members, a campaign button smaller than 10 inches in diameter, a bumper sticker smaller than 60 square inches, or other advertisement as determined by regulations of the Commission.~~ *any of the following:*

(A) *A communication from an organization, other than a political party, to its members.*

(B) *A campaign button smaller than 10 inches in diameter; a bumper sticker smaller than 60 square inches; or a small tangible promotional item, including, but not limited to, a pen, pin, or key chain, upon which the disclosures required by this article cannot be conveniently printed or displayed.*

(C) *Clothing apparel.*

(D) *Sky writing.*

(E) *An electronic media communication, if inclusion of the disclosures required by this article is impracticable or would severely interfere with the committee’s ability to convey the intended message because of the nature of the technology used to make the communication.*

(F) *Any other communication as determined by regulations of the Commission.*

(b) “Cumulative contributions” means the cumulative amount of contributions received by a committee beginning ~~18~~ *12* months prior to the date the committee made its first expenditure for ~~a political advertisement or for the purpose of qualifying, supporting, supporting or opposing a candidate for elective office or a ballot measure for the purpose of qualification, passage, or defeat of a ballot measure, and ending seven days before the time the advertisement is disseminated or broadcast.~~

(c) ~~“Disclosure Internet Web site” means a committee’s Internet Web site for a specific campaign that discloses the top identifiable~~

1 contributors to that committee for that campaign, as described in  
2 Section 84506.3.

3 (d) ~~“Disclosure threshold” means ten thousand dollars (\$10,000)~~  
4 ~~in the case of a campaign regarding a statewide ballot measure or~~  
5 ~~a state candidate or in the case of a statewide issue advocacy~~  
6 ~~advertisement, or two thousand dollars (\$2,000) in the case of a~~  
7 ~~campaign regarding a local ballot measure or a local candidate or~~  
8 ~~in the case of a local issue advocacy advertisement.~~

9 (e) ~~“Electioneering communication” means a communication~~  
10 ~~described in subdivision (a) of Section 85310.~~

11 (f)

12 (c) ~~“Identifiable contributor” means a person that is the original~~  
13 ~~source of funds for contributions received by a committee that~~  
14 ~~cumulatively meet or exceed the disclosure threshold total fifty~~  
15 ~~thousand dollars (\$50,000) or more, notwithstanding the fact that~~  
16 ~~the contributions were transferred, in whole or in part, through one~~  
17 ~~or more other committees or persons.~~

18 (g) ~~“Issue advocacy advertisement” means an advertisement~~  
19 ~~that clearly refers to and reflects a view on the subject matter,~~  
20 ~~description, or name of a pending legislative action, administrative~~  
21 ~~action, or one or more ballot measures and does any of the~~  
22 ~~following:~~

23 (1) ~~Can only be reasonably interpreted as an appeal for the~~  
24 ~~recipient of the advertisement to take action by contacting an~~  
25 ~~employee or elected official of the state government or any local~~  
26 ~~government or encouraging others to contact those persons.~~

27 (2) ~~Refers to a pending legislative action and is disseminated,~~  
28 ~~broadcast, or otherwise communicated within 60 days of the end~~  
29 ~~of the legislative session.~~

30 (3) ~~Refers to one or more ballot measures and is disseminated,~~  
31 ~~broadcast, or otherwise communicated within 120 days of the~~  
32 ~~election concerning that measure or measures.~~

33 (h) ~~“Political advertisement” means an advertisement, unless it~~  
34 ~~is paid for by a candidate-controlled committee and is an~~  
35 ~~advertisement relating to the candidate’s own election and not for~~  
36 ~~any other campaign.~~

37 SEC. 4.

38 SEC. 5. Section 84502 of the Government Code is repealed.

39 SEC. 6. Section 84502 is added to the Government Code, to  
40 read:

1     84502. *On or before January 1, 2016, the Commission shall*  
2 *promulgate regulations, in furtherance of the purposes of this*  
3 *article, related to the reporting and tracking of funds transferred*  
4 *by an identifiable contributor to committees and other persons.*

5     ~~SEC. 5.~~

6     SEC. 7. *Section 84503 of the Government Code is repealed.*

7     SEC. 8. *Section 84503 is added to the Government Code, to*  
8 *read:*

9     84503. (a) *An advertisement regarding a ballot measure,*  
10 *disseminated by a political party or candidate-controlled*  
11 *committee, that is a radio advertisement or prerecorded telephonic*  
12 *message shall include a disclosure statement at the beginning or*  
13 *end of the advertisement read in a clearly spoken manner and in*  
14 *a pitch and tone substantially similar to the rest of the*  
15 *advertisement that reads as follows: “Paid for by [name of the*  
16 *committee that paid for the advertisement].”*

17     (b) (1) *An advertisement regarding a ballot measure,*  
18 *disseminated by a committee other than a political party or*  
19 *candidate-controlled committee, that is a radio advertisement or*  
20 *prerecorded telephonic message shall include a disclosure*  
21 *statement at the beginning or end of the advertisement read in a*  
22 *clearly spoken manner and in a pitch and tone substantially similar*  
23 *to the rest of the advertisement that reads as follows: “This ad has*  
24 *major funding from [state names in descending order of identifiable*  
25 *contributors who have made the two largest cumulative*  
26 *contributions to the committee that paid for the advertisement].*  
27 *Paid for by [name of the committee that paid for the*  
28 *advertisement].”*

29     (2) *If there is only one identifiable contributor or the*  
30 *advertisement lasts 15 seconds or less, the disclosure statement*  
31 *required by paragraph (1) shall be adjusted to read as follows:*  
32 *“This ad has major funding from [state name of identifiable*  
33 *contributor who made the largest cumulative contributions to the*  
34 *committee that paid for the advertisement]. Paid for by [name of*  
35 *the committee that paid for the advertisement].”*

36     (3) *If there are no identifiable contributors to the committee*  
37 *that paid for the advertisement, the advertisement may replace the*  
38 *disclosure statement required by paragraph (1) with the following:*  
39 *“Paid for by [name of the committee that paid for the*  
40 *advertisement].”*

1 (4) If the content of the advertisement names each of the  
2 identifiable contributors required to be named pursuant to  
3 paragraphs (1) and (2) as top funders of the advertisement, it may  
4 replace the disclosure statement required by paragraph (1) with  
5 the following: “Paid for by [name of the committee that paid for  
6 the advertisement].”

7 SEC. 9. Section 84503.1 is added to the Government Code, to  
8 read:

9 84503.1. (a) An advertisement regarding a ballot measure,  
10 disseminated by a political party or candidate-controlled  
11 committee, that is a television or video advertisement shall include  
12 a disclosure area with a solid black background on the entire  
13 bottom one-third of the television or video display screen at the  
14 beginning or end of the advertisement for a minimum of five  
15 seconds in the case of an advertisement that lasts 30 seconds or  
16 less or a minimum of 10 seconds in the case of an advertisement  
17 that lasts longer than 30 seconds. The disclosure area shall include  
18 the following text: “Paid for by [name of the committee that paid  
19 for the advertisement].” The text shall be in a contrasting color  
20 in Arial Narrow equivalent type, and the type size shall be at least  
21 4 percent of the height of the television or video display screen  
22 and shall be centered horizontally.

23 (b) An advertisement regarding a ballot measure, disseminated  
24 by a committee other than a political party or candidate-controlled  
25 committee, that is a television or video advertisement shall include  
26 a disclosure area with a solid black background on the entire  
27 bottom one-third of the television or video display screen at the  
28 beginning or end of the advertisement for a minimum of five  
29 seconds in the case of an advertisement that lasts 30 seconds or  
30 less or a minimum of 10 seconds in the case of an advertisement  
31 that lasts longer than 30 seconds. The disclosure area shall include  
32 all of the following:

33 (1) The text “Ad Paid for by a Committee whose Top Funders  
34 are:”. The text shall be located at the top of the disclosure area  
35 and centered horizontally, shall be in a contrasting color in Arial  
36 Narrow equivalent type, and the type size shall be at least 4 percent  
37 of the height of the television or video display screen.

38 (2) Immediately below the text described in paragraph (1), the  
39 names of the identifiable contributors who have made the three  
40 largest cumulative contributions to the committee that paid for the



1 advertisement. The identifiable contributors shall each be disclosed  
2 on a separate horizontal line, in descending order, beginning with  
3 the identifiable contributor who made the largest cumulative  
4 contributions on the first line. The name of each of the identifiable  
5 contributors shall be centered horizontally in the disclosure area.  
6 The text shall be in a contrasting color in Arial Narrow equivalent  
7 type, and the type size shall be at least 4 percent of the height of  
8 the television or video display screen.

9 (3) The text “Funding Details At [insert Commission Internet  
10 Web site address with information required to be posted pursuant  
11 to Section 84223].” The text shall be in a contrasting color in  
12 Arial Narrow equivalent type, and the type size shall be at least  
13 2.5 percent of the height of the television or video display screen.  
14 The text shall be right-aligned and located in a position that is at  
15 least 2.5 percent of the height of the television or video display  
16 screen away from the bottom right of the television or video display  
17 screen.

18 (4) The text “Paid for by [name of the committee that paid for  
19 the advertisement].” The text shall be in a contrasting color in  
20 Arial Narrow equivalent type, and the type size shall be at least 4  
21 percent of the height of the television or video display screen. The  
22 text shall be left-aligned and located in a position that is vertically  
23 at least 2 percent of the height of the television or video display  
24 screen away from the bottom left of the television or video display  
25 screen.

26 (5) If there are fewer than three identifiable contributors to the  
27 committee that paid for the advertisement, the disclosure statement  
28 required by this subdivision shall be adjusted accordingly to  
29 disclose only those that qualify as identifiable contributors, if any.  
30 If the committee does not have any identifiable contributors, the  
31 text required by paragraph (1) shall be adjusted to read “Ad Paid  
32 for by” and the name of the committee shall be printed immediately  
33 below it, centered horizontally. The text shall be in a contrasting  
34 color in Arial Narrow equivalent type, and the type size shall be  
35 at least 4 percent of the height of the television or video display  
36 screen.

37 SEC. 10. Section 84503.2 is added to the Government Code,  
38 to read:

39 84503.2. (a) An advertisement regarding a ballot measure,  
40 disseminated by a political party or candidate-controlled

1 committee, that is a mass mailing or a print advertisement designed  
2 to be distributed personally shall include a disclosure area on the  
3 outside display surface of the mass mailing or print advertisement  
4 that reads as follows: “Paid for by [name of the committee that  
5 paid for the advertisement].” The text shall be in an Arial Narrow  
6 equivalent type with a type size of at least 10-point in a color or  
7 print that contrasts with the background so that it is easily read.

8 (b) An advertisement regarding a ballot measure, disseminated  
9 by a committee other than a political party or candidate-controlled  
10 committee, that is a mass mailing or a print advertisement designed  
11 to be distributed personally shall include a disclosure area on the  
12 largest page of the mass mailing or print advertisement that  
13 satisfies all of the following requirements:

14 (1) The disclosure area shall have a solid white background so  
15 as to be easily legible, and shall be in a printed or drawn box on  
16 the bottom of the page that is set apart from any other printed  
17 matter. All text in the disclosure area shall be black in color. The  
18 text in the disclosure area shall be written in the same direction  
19 as the text or graphics on the majority of the page that has the  
20 disclosure.

21 (2) The text “Ad Paid for by a Committee whose Top Funders  
22 are” shall be located at the top of the disclosure area and centered  
23 horizontally in the disclosure area. The text shall be in an Arial  
24 Narrow equivalent type with a type size of at least 12-point for  
25 advertisements smaller than 93 square inches and at least 14-point  
26 for advertisements that are equal to, or larger than, 93 square  
27 inches.

28 (3) Immediately below the text described in paragraph (2) shall  
29 be the names of the identifiable contributors who have made the  
30 three largest cumulative contributions to the committee that paid  
31 for the advertisement. The identifiable contributors shall each be  
32 disclosed on a separate horizontal line, in descending order,  
33 beginning with the identifiable contributor who made the largest  
34 cumulative contributions on the first line. The name of each of the  
35 identifiable contributors shall be centered horizontally in the  
36 disclosure area. The text shall identify each identifiable contributor  
37 in an Arial Narrow equivalent type with a type size of at least  
38 10-point for advertisements smaller than 93 square inches and at  
39 least 12-point for advertisements that are equal to, or larger than,  
40 93 square inches.

1 (A) If the advertisement is four inches tall or less, it need only  
2 show the names of the identifiable contributors who have made  
3 the two largest cumulative contributions.

4 (B) If the advertisement is three inches tall or less, it need only  
5 show the name of the identifiable contributor who made the largest  
6 cumulative contributions, and the text required by paragraph (2)  
7 shall read “Ad Paid for by a Committee whose Top Funder is.”

8 (4) Immediately below the text described in paragraph (3), the  
9 text “Funding Details At [insert Commission Internet Web site  
10 address with information required to be posted pursuant to Section  
11 84223].” The text shall be in an Arial Narrow equivalent type with  
12 at least 10-point type size for advertisements smaller than 93  
13 square inches and at least 12-point type size for advertisements  
14 that are equal to, or larger than, 93 square inches. This text shall  
15 not be required if the advertisement is five inches tall or less.

16 (5) The text “Paid for by [name of the committee that paid for  
17 the advertisement]” shall be located at the bottom of the disclosure  
18 area and shall be in an Arial Narrow equivalent type with at least  
19 8-point type size for pages smaller than 8.5 inches and at least  
20 10-point type size for pages that are equal to, or larger than, 8.5  
21 inches by 11 inches.

22 (6) If there are fewer than three identifiable contributors to the  
23 committee that paid for the advertisement, the disclosure shall be  
24 adjusted accordingly to disclose the qualifying identifiable  
25 contributors, if any. If the committee does not have any identifiable  
26 contributors, the disclosures described in paragraphs (2) and (3)  
27 are not required.

28 SEC. 11. Section 84503.3 is added to the Government Code,  
29 to read:

30 84503.3. The Commission may promulgate regulations to  
31 require disclosures on all forms of advertisements regarding ballot  
32 measures not covered by this article, including, but not limited to,  
33 electronic media advertisements and billboards. If feasible, the  
34 regulations shall require the listing of the name of the committee  
35 and as many of the three identifiable contributors that made the  
36 largest cumulative contributions as possible in a conspicuous  
37 manner, unless the committee that paid for the advertisement is a  
38 political party or candidate-controlled committee, in which case  
39 only the name of the committee must be shown. This disclosure  
40 area shall occupy no more than 10 percent of the advertisement.

1     *SEC. 12. Section 84503.4 is added to the Government Code,*  
2     *to read:*

3     84503.4. (a) *The disclosure of the name of an identifiable*  
4     *contributor required by this article need not include such legal*  
5     *terms as “incorporated,” “committee,” “political action*  
6     *committee,” or “corporation,” or their abbreviations, unless the*  
7     *term is part of the contributor’s name in common usage or*  
8     *parlance.*

9     (b) *If this article requires the disclosure of the name of an*  
10    *identifiable contributor that is a sponsored committee that has a*  
11    *single sponsor, only the name of the committee’s sponsoring*  
12    *organization shall be disclosed.*

13    (c) *If the identifiable contributor is the parent of a subsidiary*  
14    *corporation whose economic interest is more directly impacted*  
15    *than the parent by a measure that is the subject of the*  
16    *advertisement, then the subsidiary’s name shall be disclosed.*  
17    *Disclosure of the parent’s name is optional, but shall not replace*  
18    *the required disclosure of other identifiable contributors otherwise*  
19    *required by this article.*

20    (d) *All disclosure text required by this article shall be displayed*  
21    *in the capitalization shown in this article, such as “Ad Paid for*  
22    *by a Committee whose Top Funders are”. Names of identifiable*  
23    *contributors and committees shall be displayed in title*  
24    *capitalization (e.g. “John Smith”), except for names that are*  
25    *acronyms (e.g. “ACME Hunting Supplies”).*

26    *SEC. 13. Section 84503.5 is added to the Government Code,*  
27    *to read:*

28    84503.5. *If the order of the identifiable contributors required*  
29    *to be displayed in an advertisement pursuant to this article*  
30    *changes, the disclosure in the advertisement shall be updated as*  
31    *follows:*

32    (a) *A television, radio, or other electronic media advertisement*  
33    *shall be updated to reflect the new ordering of identifiable*  
34    *contributors within seven business days, or five business days if*  
35    *the change in the order of identifiable contributors occurs within*  
36    *30 days of an election.*

37    (b) *A print media advertisement, including non-electronic*  
38    *billboards, shall be updated to reflect the new ordering of*  
39    *identifiable contributors prior to placing a new or modified order*  
40    *for additional printing of the advertisement.*

1 ~~SEC. 6.~~

2 ~~SEC. 14.~~ Section 84504 of the Government Code is repealed.

3 ~~SEC. 7.~~

4 ~~SEC. 15.~~ Section 84505 of the Government Code is amended  
5 to read:

6 84505. In addition to the requirements of Sections ~~84506,~~  
7 ~~84506.1, 84506.2, 84506.3, 84506.4, and 84506.5~~ 84503, 84503.1,  
8 84503.2, and 84503.3, the committee ~~placing the~~ *paying for an*  
9 advertisement or persons acting in concert with that committee  
10 shall be prohibited from creating or using a noncandidate-controlled  
11 committee or a nonsponsored committee to avoid, or that results  
12 in the avoidance of, the disclosure of any individual, industry,  
13 business entity, controlled committee, or sponsored committee as  
14 a major funding source.

15 ~~SEC. 8.~~ Section 84506 of the Government Code is repealed.

16 ~~SEC. 9.~~ Section 84506 is added to the Government Code, to  
17 read:

18 84506. (a) ~~A political advertisement that is a radio~~  
19 ~~advertisement or prerecorded telephonic message shall include a~~  
20 ~~disclosure at the end of the advertisement read in a clearly spoken~~  
21 ~~manner and in a pitch and tone substantially similar to the rest of~~  
22 ~~the advertisement that reads as follows: "Top funders of this ad~~  
23 ~~are [state names in descending order of identifiable contributors~~  
24 ~~who have made the three largest cumulative contributions]. Paid~~  
25 ~~for by [name of the committee that paid for the advertisement]."~~

26 (b) ~~If there are fewer than three identifiable contributors, the~~  
27 ~~disclosure required by subdivision (a) shall be adjusted accordingly~~  
28 ~~to disclose the qualifying identifiable contributors, if any.~~

29 (c) ~~If there is only one identifiable contributor or the~~  
30 ~~advertisement lasts 15 seconds or less, the disclosure required by~~  
31 ~~subdivision (a) shall be adjusted to read as follows: "Top funder~~  
32 ~~of this ad is [state name of identifiable contributor who made the~~  
33 ~~largest cumulative contributions]. Paid for by [name of the~~  
34 ~~committee that paid for the advertisement]."~~

35 (d)

36 ~~If there are no identifiable contributors or the committee that~~  
37 ~~paid for the advertisement is the only identifiable contributor, it~~  
38 ~~may replace the disclosure required by subdivision (a) with the~~  
39 ~~following: "Paid for by [name of the committee that paid for the~~  
40 ~~advertisement]."~~

~~(e) If the advertisement names each of the identifiable contributors required to be named pursuant to subdivisions (a) to (e), inclusive, and identifies the speaker as speaking on behalf of them, it may replace the disclosure required by subdivision (a) with the following: “Paid for by [name of the committee that paid for the advertisement].”~~

~~(f) The disclosures specified in subdivision (a) shall not be required if the committee paying for the political advertisement does not have cumulative contributions that meet or exceed the disclosure threshold.~~

~~SEC. 10. Section 84506.1 is added to the Government Code, to read:~~

~~84506.1. (a) A political advertisement that is a television or video advertisement shall include a disclosure area with a solid black background on the entire bottom one-third of the television or video display screen at the beginning of the advertisement for a minimum of five seconds in the case of an advertisement that lasts 30 seconds or less or a minimum of 10 seconds in the case of an advertisement that lasts longer than 30 seconds. The disclosure area shall include all of the following:~~

~~(1) The text “Top Funders of This Ad.” The text shall be located at the top of the disclosure area and centered horizontally, shall be yellow in color in Arial equivalent type, and the type size shall be at least 4 percent of the height of the television or video display screen.~~

~~(2) Immediately below the text described in paragraph (1), the names of the identifiable contributors who have made the three largest cumulative contributions. The identifiable contributors shall each be disclosed on a separate horizontal line, in descending order, beginning with the identifiable contributor who made the largest cumulative contributions on the first line. The name of each of the identifiable contributors shall be centered horizontally. The text shall be white in color in Arial Narrow equivalent type and the type size shall be at least 4 percent of the height of the television or video display screen.~~

~~(3) The text “Funding Details At [insert Internet Web site address of the disclosure Internet Web site].” The text shall be yellow in color in Arial Narrow equivalent type and the type size shall be equivalent to 2.5 percent of the height of the television or video display screen. The text shall be left-aligned and located in~~

1 a position that is 2.5 percent of the height of the television or video  
2 display screen away from the bottom left of the television or video  
3 display screen.

4 ~~(4) The text “Paid for by [name of the committee that paid for~~  
5 ~~the advertisement].” The text shall be yellow in color in Arial~~  
6 ~~Narrow equivalent type and the type size shall be equivalent to~~  
7 ~~2.5 percent of the height of the television or video display screen.~~  
8 ~~The text shall be right-aligned and located in a position that is~~  
9 ~~vertically 2.5 percent of the height of the television or video display~~  
10 ~~screen away from the bottom right of the television or video display~~  
11 ~~screen.~~

12 ~~(5) If there are fewer than three identifiable contributors, the~~  
13 ~~disclosure required by this subdivision shall be adjusted~~  
14 ~~accordingly to disclose only those that qualify as identifiable~~  
15 ~~contributors, if any. If the committee does not have any identifiable~~  
16 ~~contributors, the disclosure shall be adjusted to include the name~~  
17 ~~of the committee in place of the names of identifiable contributors.~~

18 ~~(b) The disclosures described in subdivision (a) shall not be~~  
19 ~~required if the committee paying for the political advertisement~~  
20 ~~does not have cumulative contributions that meet or exceed the~~  
21 ~~disclosure threshold.~~

22 ~~SEC. 11. Section 84506.2 is added to the Government Code,~~  
23 ~~to read:~~

24 ~~84506.2. (a) Except for slate mailers, a political advertisement~~  
25 ~~that is a mass mailing or a print advertisement and that is 12 square~~  
26 ~~inches or more in size shall include a disclosure area on the largest~~  
27 ~~page of the mass mailing or print advertisement that satisfies all~~  
28 ~~of the following:~~

29 ~~(1) The disclosure area shall have a solid white background so~~  
30 ~~as to be easily legible, and shall be in a printed or drawn box on~~  
31 ~~the bottom of the page that is set apart from any other printed~~  
32 ~~matter. All text in the disclosure area shall be black in color.~~

33 ~~(2) The text “Top Funders of This Ad” shall be located at the~~  
34 ~~top of the disclosure area and centered horizontally in the disclosure~~  
35 ~~area. The text shall be in an Arial equivalent type with a type size~~  
36 ~~of at least 12-point for advertisements smaller than 93 square inches~~  
37 ~~and at least 14-point for advertisements that are equal to, or larger~~  
38 ~~than, 93 square inches.~~

39 ~~(3) Immediately below the text described in paragraph (2) shall~~  
40 ~~be the names of the identifiable contributors who have made the~~

1 three largest cumulative contributions. The identifiable contributors  
2 shall each be disclosed on a separate horizontal line, in descending  
3 order, beginning with the identifiable contributor who made the  
4 largest cumulative contributions on the first line. The name of each  
5 of the identifiable contributors shall be centered horizontally in  
6 the disclosure area. The text shall identify each identifiable  
7 contributor in an Arial Narrow equivalent type with a type size of  
8 at least 10-point for advertisements smaller than 93 square inches  
9 and at least 12-point for advertisements that are equal to, or larger  
10 than, 93 square inches.

11 (A) If the advertisement is 4 inches tall or less, it need only  
12 show the names of the identifiable contributors who have made  
13 the two largest cumulative contributions.

14 (B) If the advertisement is 3 inches tall or less, it need only  
15 show the name of the identifiable contributor who made the largest  
16 cumulative contribution, and the text required by paragraph (2)  
17 may say “Top Funder of This Ad.”

18 (4) Immediately below the text described in paragraph (3), the  
19 text “Funding Details At [insert Internet Web site address of the  
20 disclosure Internet Web site].” The text shall be in an Arial Narrow  
21 equivalent type with at least 10-point type size for advertisements  
22 smaller than 93 square inches and at least 12-point type size for  
23 advertisements that are equal to, or larger than, 93 square inches.  
24 This text shall not be required if the advertisement is 5 inches tall  
25 or less.

26 (5) The text “Paid for by [name of the committee that paid for  
27 the advertisement].” The text shall be located at the bottom of the  
28 disclosure area and shall be in an Arial Narrow equivalent type  
29 with at least 8-point type size for pages smaller than 8.5 inches  
30 and at least 10-point type size for pages that are equal to, or larger  
31 than, 8.5 inches by 11 inches.

32 (6) If there are fewer than three identifiable contributors, the  
33 disclosure shall be adjusted accordingly to disclose the qualifying  
34 identifiable contributors, if any. If the committee does not have  
35 any identifiable contributors, the disclosure shall be adjusted to  
36 include the name of the committee in place of the names of  
37 identifiable contributors.

38 (b) The disclosures described in subdivision (a) shall not be  
39 required if the committee paying for the political advertisement



1 ~~does not have cumulative contributions that meet or exceed the~~  
2 ~~disclosure threshold.~~

3 ~~SEC. 12. Section 84506.3 is added to the Government Code,~~  
4 ~~to read:~~

5 ~~84506.3. A committee that has paid for political advertisements~~  
6 ~~and that has received cumulative contributions that meet or exceed~~  
7 ~~the disclosure threshold shall establish and maintain a disclosure~~  
8 ~~Internet Web site. If the committee has an Internet Web site, that~~  
9 ~~Internet Web site may also serve as the disclosure Internet Web~~  
10 ~~site. The homepage of the disclosure Internet Web site and any~~  
11 ~~landing pages that visitors are directed to on the disclosure Internet~~  
12 ~~Web site and any other Internet Web sites maintained by the~~  
13 ~~committee shall include a disclosure area that satisfies all of the~~  
14 ~~following:~~

15 ~~(a) The disclosure area shall be at least 250 pixels wide and~~  
16 ~~visible upon landing on the Internet Web site's homepage. The~~  
17 ~~disclosure area shall have a white background and a border that is~~  
18 ~~dark in color.~~

19 ~~(b) The disclosure area shall include the text "Top Funders of~~  
20 ~~This Committee" located at the top of the disclosure area and~~  
21 ~~centered horizontally in the disclosure area. The text shall be black~~  
22 ~~in color in an Arial equivalent type and shall be at least 10-point~~  
23 ~~type size.~~

24 ~~(c) Immediately below the text described in subdivision (b), the~~  
25 ~~disclosure area shall include a list of the identifiable contributors~~  
26 ~~who have made the 10 largest cumulative contributions to the~~  
27 ~~committee. Each identifiable contributor shall be disclosed on a~~  
28 ~~separate horizontal line, in descending order, beginning with the~~  
29 ~~identifiable contributor who made the largest cumulative~~  
30 ~~contributions on the first line. The text shall be black in color in~~  
31 ~~an Arial Narrow equivalent type and shall be at least 9-point type~~  
32 ~~size.~~

33 ~~(d) (1) The disclosure area shall include a hyperlink to another~~  
34 ~~page on the disclosure Internet Web site that lists all of the~~  
35 ~~committee's identifiable contributors. The hyperlink shall be~~  
36 ~~labeled "More funding info" and shall be a standard hyperlink~~  
37 ~~centered at the bottom of the disclosure area that is displayed as~~  
38 ~~blue underlined text in Arial equivalent type in at least 9-point~~  
39 ~~type size.~~

~~(2) The hyperlinked page on the disclosure Internet Web site shall have a title that reads “Large Funders of this Committee.” The linked page shall disclose each identifiable contributor of the committee on a separate horizontal line, in descending order, beginning with the identifiable contributor that had the largest cumulative contribution on the first line. Each line shall show the name of the identifiable contributor and the amount of its cumulative contributions, current within three business days. These disclosures shall be clear and shall be the only content on the page other than the disclosure Internet Web site’s standard navigation features.~~

~~(e) If there are fewer than 10 identifiable contributors, the disclosure area shall be adjusted accordingly to disclose the qualifying identifiable contributors, if any. If the committee does not have any identifiable contributors, the disclosure area shall be adjusted to include the name of the committee in place of the names of identifiable contributors.~~

~~(f) Every page of an Internet Web site maintained by a committee that has paid for political advertisements and that has cumulative contributions that meet or exceed the disclosure threshold shall include the statement “Paid for by [name of the committee that paid for the advertisement]” and any other identifying information specified by the Commission. The text shall have a solid white background so as to be easily legible, and shall be in a printed or drawn box on the bottom of the page that is set apart from any other printed matter. The text shall be black in color in an Arial Narrow equivalent type and shall be at least 8-point type size.~~

~~SEC. 13. Section 84506.4 is added to the Government Code, to read:~~

~~84506.4. The Commission may promulgate regulations to require disclosures on all forms of political advertisements not covered by this article, including, but not limited to, electronic media advertisements and billboards. If feasible, the regulations shall require the listing of the name of the committee and as many of the three identifiable contributors that made the largest cumulative contributions as possible in a conspicuous manner. This disclosure area shall occupy no more than 10 percent of the~~

1 advertisement. If the advertisement medium allows, the disclosure  
2 area shall contain a hyperlink to the disclosure Internet Web site.

3 ~~SEC. 14. Section 84506.5 of the Government Code is repealed.~~

4 ~~SEC. 15. Section 84506.5 is added to the Government Code,~~  
5 ~~to read:~~

6 ~~84506.5. The Commission shall promulgate regulations to~~  
7 ~~require disclosure of the name of the committee, if feasible, on all~~  
8 ~~advertisements that are paid for by a candidate-controlled~~  
9 ~~committee and that are advertisements relating to the candidate's~~  
10 ~~own election and not for any other campaign.~~

11 ~~SEC. 16. Section 84506 of the Government Code is amended~~  
12 ~~to read:~~

13 ~~84506. (a) An advertisement supporting or opposing a~~  
14 ~~candidate or ballot measure, candidate, that is paid for by an~~  
15 ~~independent expenditure, shall include a disclosure statement that~~  
16 ~~identifies both of the following:~~

17 ~~(1) The name of the committee making the independent~~  
18 ~~expenditure.~~

19 ~~(2) The names of the persons from whom the committee making~~  
20 ~~the independent expenditure has received its two highest~~  
21 ~~cumulative contributions of fifty thousand dollars (\$50,000) or~~  
22 ~~more during the 12-month period prior to the expenditure. If the~~  
23 ~~committee can show, on the basis that contributions are spent in~~  
24 ~~the order they are received, that contributions received from the~~  
25 ~~two highest contributors have been used for expenditures unrelated~~  
26 ~~to the candidate or ballot measure featured in the communication,~~  
27 ~~the committee shall disclose the contributors making the next~~  
28 ~~largest cumulative contributions of fifty thousand dollars (\$50,000)~~  
29 ~~or more.~~

30 ~~(b) If an acronym is used to identify any committee names~~  
31 ~~required by this section, the names of any sponsoring organization~~  
32 ~~of the committee shall be printed on print advertisements or spoken~~  
33 ~~in broadcast advertisements.~~

34 ~~SEC. 16. Section 84507 of the Government Code is repealed.~~

35 ~~SEC. 17. Section 84508 of the Government Code is repealed.~~

36 ~~SEC. 18. Section 84508 is added to the Government Code, to~~  
37 ~~read:~~

38 ~~84508. (a) The disclosure of the name of an identifiable~~  
39 ~~contributor required by this article need not include such legal~~  
40 ~~terms as "incorporated," "committee," "political action committee,"~~

1 or “corporation,” or their abbreviations, unless the term is part of  
2 the contributor’s name in common usage or parlance. This section  
3 does not prevent a contributor from being disclosed by a name  
4 used in common usage or parlance, including, but not limited to,  
5 an abbreviation or acronym.

6 (b) ~~If this article requires the disclosure of the name of an~~  
7 ~~identifiable contributor that is a sponsored committee, only the~~  
8 ~~name of the committee’s sponsoring organization shall be~~  
9 ~~disclosed.~~

10 (c) ~~For a disclosure made pursuant to Sections 84506 to 84506.3,~~  
11 ~~inclusive, the committee name listed need not include its economic~~  
12 ~~or other special interests, nor the names of any major donors.~~

13 *SEC. 17. Section 84508 of the Government Code is amended*  
14 *to read:*

15 84508. If disclosure of two major donors is required by Sections  
16 84503 and Section 84506, the committee shall be required to  
17 disclose, in addition to the committee name, only its highest major  
18 contributor in any advertisement which is:

- 19 (a) An electronic broadcast of 15 seconds or less, or  
20 (b) A newspaper, magazine, or other public print media  
21 advertisement which is 20 square inches or less.

22 ~~SEC. 19. Section 84509 of the Government Code is repealed.~~

23 ~~SEC. 20. Section 84509 is added to the Government Code, to~~  
24 ~~read:~~

25 84509. ~~If the order of the identifiable contributors required to~~  
26 ~~be displayed in an advertisement pursuant to this article changes,~~  
27 ~~the disclosure in the advertisement shall be updated as follows:~~

28 (a) ~~A television, radio, or other electronic media political~~  
29 ~~advertisement shall be updated to reflect the new ordering of~~  
30 ~~identifiable contributors within seven business days, or five~~  
31 ~~business days if the change in the order of identifiable contributors~~  
32 ~~occurs within 30 days of an election.~~

33 (b) ~~A print media advertisement, including nonelectronic~~  
34 ~~billboards, shall be updated to reflect the new ordering of~~  
35 ~~identifiable contributors prior to placing a new or modified order~~  
36 ~~for additional printing of the advertisement.~~

37 ~~SEC. 21. Section 85310 of the Government Code is amended~~  
38 ~~to read:~~

39 85310. (a) ~~A person who makes a payment or a promise of~~  
40 ~~payment totaling ten thousand dollars (\$10,000) or more for a~~

1 communication that clearly identifies a candidate for elective  
2 office, but does not expressly advocate the election or defeat of  
3 the candidate, and that is disseminated, broadcast, or otherwise  
4 published during the period beginning 120 days before the primary  
5 or special election and ending on the date of the general or runoff  
6 election, shall file online or electronically with the Secretary of  
7 State a report disclosing the name of the person, address,  
8 occupation, and employer, and amount of the payment. The report  
9 shall be filed within 48 hours of making the payment or the promise  
10 to make the payment.

11 (b) (1) Except as provided in paragraph (2), if a person has  
12 received a payment or a promise of a payment from other persons  
13 totaling five thousand dollars (\$5,000) or more for the purpose of  
14 making a communication described in subdivision (a), the person  
15 receiving the payments shall disclose on the report the name,  
16 address, occupation and employer, and date and amount received  
17 from the person.

18 (2) A person who receives or is promised a payment that is  
19 otherwise reportable under paragraph (1) is not required to report  
20 the payment if the person is in the business of providing goods or  
21 services and receives or is promised the payment for the purpose  
22 of providing those goods or services.

23 (c) A payment received by a person who makes a  
24 communication described in subdivision (a) is subject to the limits  
25 specified in subdivision (b) of Section 85303 if the communication  
26 is made at the behest of the clearly identified candidate.

27 ~~SEC. 22.~~

28 *SEC. 18.* No reimbursement is required by this act pursuant to  
29 Section 6 of Article XIII B of the California Constitution because  
30 the only costs that may be incurred by a local agency or school  
31 district will be incurred because this act creates a new crime or  
32 infraction, eliminates a crime or infraction, or changes the penalty  
33 for a crime or infraction, within the meaning of Section 17556 of  
34 the Government Code, or changes the definition of a crime within  
35 the meaning of Section 6 of Article XIII B of the California  
36 Constitution.

37 ~~SEC. 23.~~

38 *SEC. 19.* The Legislature finds and declares that this bill  
39 furthers the purposes of the Political Reform Act of 1974 within

- 1 the meaning of subdivision (a) of Section 81012 of the Government
- 2 Code.

O